



(continued)

3. These benefits will be paid in future biennia as active members retire and become eligible for the benefit. Due to implementation dates there will be minimal payments for this benefit in the 2002-2003 biennium.
4. The legislature is considering other legislation, such as increasing the GABA (HB 294) and reducing the waiting period for GABA (SB 89). If all three bills pass, the normal cost rate for the retirement system will be larger than the contribution rate available to pay for benefits. The amendment to this bill by the House State Administration Committee increases member contributions from 8.5 percent to 10.56 percent. The revenue generated from the increased member contributions will fund the actuarial cost of the increased benefits. Because the members are paying the increased contributions, this bill will have no increased cost to the general fund.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$700,000	\$700,000
<u>Funding:</u>		
Other (GWPORS trust fund)	\$700,000	\$700,000
<u>Revenues:</u>		
Other	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other (GWPORS trust fund)	(\$700,000)	(\$700,000)

LONG-RANGE IMPACTS:

The same funding will be required of the retirement trust fund for the years beyond the biennium. The benefits resulting from this enhancement will be paid in future years as active members retire and become eligible for the benefits.